

# HOUSE BILL No. 1618

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 36-7.5-3-5.

**Synopsis:** South Shore extension. Creates a program to provide state matching grants to the northwest Indiana regional development authority for projects extending the Chicago, South Shore, and South Bend Railway. Requires the development authority to make certain commitments in order to receive a grant. Requires a return on investment analysis. Requires review of grant applications by the budget committee and approval by the budget agency. Appropriates \$9,400,000 annually from the state general fund for the program.

**Effective:** July 1, 2015.

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**Slager, Soliday**

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January 22, 2015, read first time and referred to Committee on Roads and Transportation.

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First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

## HOUSE BILL No. 1618

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A BILL FOR AN ACT to amend the Indiana Code concerning transportation and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1       SECTION 1. IC 36-7.5-3-5 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2015]: **Sec. 5. (a) There is established a grant program to provide**  
4 **state matching grants for projects extending the Chicago, South**  
5 **Shore, and South Bend Railway.**  
6       **(b) To participate in the grant program, the development**  
7 **authority must prepare an update to the comprehensive strategic**  
8 **development plan prepared under section 4 of this chapter. The**  
9 **update must include detailed information concerning the following:**  
10       **(1) The proposed projects to be undertaken by the**  
11 **development authority to extend the Chicago, South Shore,**  
12 **and South Bend Railway using grants made under this**  
13 **section.**  
14       **(2) The commitments being made by the development**  
15 **authority and political subdivisions in exchange for receiving**



1 grants under this section.

2 (3) The following information for each project included under  
3 subdivision (1):

4 (A) The location of each project.

5 (B) A timeline and budget, including milestones that the  
6 development authority commits to achieving by the time  
7 specified.

8 (C) The expected return on investment.

9 (D) Any projected or expected federal and local matching  
10 funds.

11 (c) To receive a matching grant under this section, the  
12 development board must adopt an authorizing resolution and  
13 submit the updated plan along with a grant application to the  
14 budget agency for approval, after review by the budget committee.

15 (d) The development authority may not provide any funding to  
16 a political subdivision to carry out a project using a grant made  
17 under this section unless the political subdivision has committed at  
18 least twenty percent (20%) of its annual county economic  
19 development income tax revenue to satisfy the matching  
20 requirement set forth in subsection (e).

21 (e) A grant may not be approved under this section, unless the  
22 budget agency finds all of the following:

23 (1) The development authority commits to at least nine million  
24 four hundred thousand dollars (\$9,400,000) of annual funding  
25 for the projects.

26 (2) The various political subdivisions commit county economic  
27 development income tax revenue that totals at least three  
28 million two hundred thousand dollars (\$3,200,000) annually  
29 for the projects.

30 (3) The development authority commits to an annual return  
31 on investment that, within twenty (20) years after the first  
32 grant is made for the projects, is at least twice the annualized  
33 amount of the grant requested. The return on investment  
34 must be measured by the annual amount of incremental state  
35 fiscal year increases to state sales and state income taxes that  
36 are projected to be collected as a direct result of the projects,  
37 as determined by the budget agency. Projections to determine  
38 the return on investment must be provided in detail by the  
39 development authority and evaluated by the office of  
40 management and budget.

41 (f) If projects that will be financed are approved under this  
42 section, the budget agency may, after review by the budget



1 committee, approve a grant, comprised of a series of annual grants,  
2 not to exceed thirty (30) years, that is consistent with the financing  
3 requirements for the approved projects. In such a case, the general  
4 assembly covenants that it will not:

5 (1) repeal or amend this section in a manner that would  
6 adversely affect owners of outstanding bonds, or payment of  
7 any lease rentals, secured by grants made under this section;  
8 or

9 (2) in any way impair the rights of owners of bonds of the  
10 development authority, or the owners of bonds secured by  
11 lease rentals, secured by grants made under this section.

12 The budget agency shall allot the appropriation for the duration of  
13 the grants that are needed to complete the approved projects.

14 (g) If a grant is made under this section, the development  
15 authority shall in July of each year through 2045, submit an annual  
16 progress report to the budget agency. The budget agency shall  
17 review each annual progress report and make a determination  
18 before October 1 each year whether the commitments made to  
19 receive approval of the grant are being satisfied. If the budget  
20 agency finds that any default occurs with regard to any  
21 commitment, the budget agency shall cause the development board  
22 and development authority to take all actions necessary to cure the  
23 default as soon as practicable.

24 (h) There is annually appropriated from the state general fund  
25 to the budget agency nine million four hundred thousand dollars  
26 (\$9,400,000) each state fiscal year through June 30, 2045. The  
27 budget agency shall use the appropriation exclusively for making  
28 matching grants to the development authority for approved  
29 projects set forth in the comprehensive strategic development plan  
30 update and the grant application required by this section. Money  
31 remaining from the appropriation at the end of a state fiscal year  
32 does not revert to the state general fund, but remains available to  
33 the budget agency for the purposes of this section.

